

GREEN FUND

*Japan's Green Bank Business Model
Success and Impacts*

Our Challenge after the Paris Agreement

SEPTEMBER 18 2017

Green Finance Organisation JAPAN

We aim to....

Develop many projects which reduce CO₂ emissions and benefit local communities

Create a new stream of private capitals which realize Green economy and Low carbon society

Spread the models to the regional private sectors

Establish "success models"

Green Investment

- + Decrease Debt Equity Ratio to facilitate loan financing
- + Support implementation of new business models to expand the green investment

Generate low carbon societies

The Green Fund in Japan funded with the part of the revenue of Tax for Climate Change Mitigation focuses on projects that contribute not only to reducing CO2 emission but also to activating local communities such as;

- **Fukushima solar power project where the Green Fund investment supports not only the promotion of renewable energy but also restoration from the disaster of the Great East Japan Earthquake in 2011.**
- **Plant rehabilitation fund for nationwide medium size hydropower and also mid-smaller size hydropower projects utilizing the flow hydraulic power of the rivers**
- **Biomass power generation projects (using timber from forest thinning to support the local industries and also biogas from food waste)**
- **Hot spring power generation fund in Oita(Kyushu)**
- **Off-shore wind farm project under the development by the local partners in the northern part of Japan**

Success to be achieved through our (Japan's) Green Bank business model which has the role and mission to facilitate reduction of CO2 emissions and also stimulate local economies via green projects with our investments.

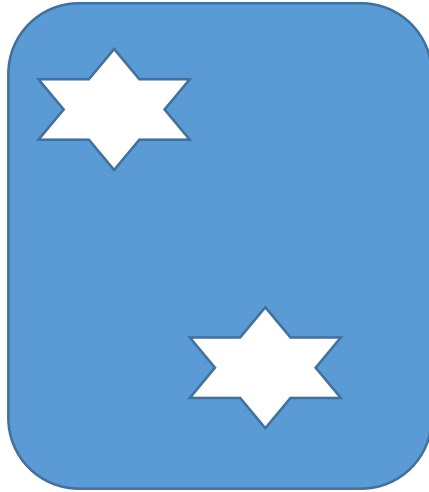
- (Once overcoming barriers with the Green Bank)
 - Self-Deployment with less intervention by the Green Bank
- Regional community based low-carbon society
- Transition of energy form to regional distributed energy system from large electric utility company's domination system

Impacts through the success of our Green Bank business model

- Japan's growth with resilience from the regional economy activation
- more and more green projects with nation-wide motivation for low carbon society

Green Bank Business Model

Typical business model



 Green Project

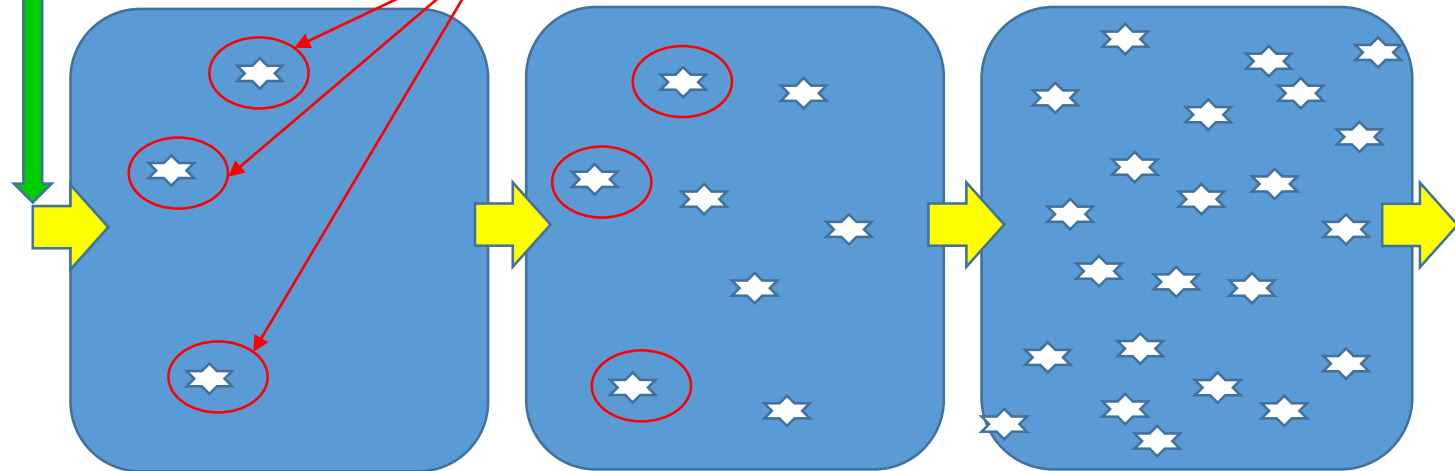
- Large Capital
- Large firms
- Large financial institutions
- Large projects with higher profitability

Self-Deployment with less intervention by the Green Bankbased on regional community

Intervention by Green Bank

Regional Community

* financial institutions' hesitation to support green projects due to little experience and K-H, little risk understanding, little capability to evaluate the green projects.



 Green Project

- Small-mid Capital
- Small-mid firms
- Small-mid financial institutions
- Small-mid size projects

➤ New business model